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UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY

In Re:	:	
	:	
	:	Chapter 11
SHAPES/ARCH HOLDINGS L.L.C.,	:	
<u>et al.</u> ,	:	Case No. 08-14631 (GMB)
	:	
	:	
	:	
Debtors,	:	
	:	

**STIPULATION AND CONSENT ORDER RESOLVING OBJECTION OF  
NATIONWIDE INDUSTRIES TO CURE AMOUNT AND ADEQUATE ASSURANCE  
OF FUTURE PERFORMANCE**

The relief set forth on the following pages, numbered two(2) through five (5) is hereby  
**ORDERED.**

**DATED: 2/26/2009**

  
\_\_\_\_\_  
Honorable Gloria M. Burns  
United States Bankruptcy Court Judge

Debtor: Shapes/Arch Holdings L.L.C., et al.  
Case No.: 08-14631(GMB)  
Caption: In re Shapes/Arch Holdings L.L.C., et al.

This Stipulation and Consent Order (the "Stipulation and Order") is entered into on the date[s] set forth below, by and between Delair L.L.C. ("Delair"), one of the above captioned debtors and debtors in possession<sup>1</sup> (the "Debtors") and Nationwide Industries, Inc. ("Nationwide") (Delair and Nationwide being hereinafter referred to as the "Parties").

WHEREAS, Delair filed its respective voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") on March 16, 2008.

WHEREAS, Prior to the commencement of these bankruptcy cases, Nationwide and Delair entered into a non-exclusive licensing agreement, commencing on January 1, 2005, granting Nationwide the right to use Delair's patent, U.S.A. Patent No. 5,715,574 (the "Patent"), in the manufacture and sale of an aluminum push adjust self-closing hinge. (the "Licensing Agreement").

WHEREAS, subsequent to the Licensing Agreement, Nationwide and Delair entered into an Endorsement and Amendment to Royalty and Patent License Agreement (the "Amended License Agreement"), whereby the parties agreed to extend the non-exclusive license to the Patent to include the manufacture and sale of a resin hinge for the vinyl fence industry.

WHEREAS, On or about June 23, 2008, the Debtors filed their Notice of Filing Schedule 8.1 to Debtors' Third Amended Plan of Reorganization (Docket No. 399). Schedule 8.1 listed the Licensing Agreement as a contract the Debtors would assume and assign to Delair as part of the Debtors' Third Amended Plan (the "Assumption and Cure Notice"). The Assumption and

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<sup>1</sup> In addition to Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), the following entities, all of which are wholly owned subsidiaries of Shapes/Arch, also filed petitions on the Petition Date: Shapes L.L.C. ("Shapes"); Delair L.L.C. ("Delair"); Accu-Weld L.L.C. ("Accu-Weld"); and Ultra L.L.C. ("Ultra").

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Cure Notice listed the pre-petition date cure amount of \$0.00 for the Licensing Agreement (the "Cure Amount").

WHEREAS, on July 2, 2008, Nationwide filed its Objection to Cure Amount and Adequate Protection, disputing the Cure Amount as listed in Schedule 8.1 to Debtors' Third Amended Plan of Reorganization (the "Nationwide Objection to Cure Amount") (Docket No. 465).

WHEREAS, on July 3, 2008, the Debtors filed their Notice of Modified Schedule 8.1 to Debtors' Third Amended Plan of Reorganization (the "Modified Assumption and Cure Notice") (Docket No. 492). The Modified Assumption and Cure Notice also listed the pre-petition date cure amount of \$0.00 for the Licensing Agreement (the "Modified Cure Amount").

WHEREAS, on July 24, 2008, this Court entered an Order confirming the Debtors' Third Amended Plan of Reorganization (the "Confirmation Order"). The Confirmation Order approved the assumption and assignment of the Licensing Agreement to Delair, subject to the resolution of the dispute between the Parties as to the proper pre-petition Cure Amount due Nationwide under the assumed Licensing Agreement.

WHEREAS, the hearing on the Nationwide Objection to Cure Amount has been continued from time to time by the Court to allow the Parties an opportunity to resolve Nationwide's Objection to Cure Amount.

WHEREAS, the Parties now desire to resolve all of Nationwide's claims on the terms and subject to the conditions set forth in this Stipulation and Order.

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**NOW THEREFORE**, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtors and Nationwide do hereby stipulate and agree as follows:

1. The foregoing recitals are incorporated herein by reference.
2. The Parties hereby acknowledge that they have entered into a Second Endorsement and Amendment to Royalty and Patent license Agreement, dated January 9, 2009, attached hereto as Exhibit A and incorporated herein by reference, which shall be deemed the operative agreement assumed by Delair in accordance with the Debtors' Third Amended Plan of Reorganization and in accordance with this Court's Confirmation Order, dated July 24, 2008.
3. Nationwide shall withdraw its Objection to Cure Amount in its entirety.
4. The Bankruptcy Court shall retain jurisdiction to determine any dispute that may arise between the Parties with respect to this Stipulation and Order.
5. This Stipulation and Order shall become effective immediately upon entry, notwithstanding any rule or statutory stay of this order.
6. Each of the undersigned hereby represents and warrants that he has reviewed the foregoing Stipulation and Order with his/her respective client[s] and has been authorized to execute this order on its/their behalf.
7. This Stipulation and Order may be executed in counterparts, which when so executed shall comprise but a single document.

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**STIPULATED TO, CONSENTED TO AND AGREED BY:**

**DEBTORS**

Dated: February 12, 2009

COZEN O'CONNOR

By: 

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**NATIONWIDE INDUSTRIES, INC.**

Dated: February 13, 2009

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